

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W. R. Grace & Co., et al
Debtor

Case No. 01-01139 Jointly Administered
Reporting Period: December 2005

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (con't)	X	
Copies of bank statements		X	
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period			None filed
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date

Robert M. Tarola

Signature of Authorized Individual*

31 JAN 2006

Date

Robert M. Tarola

Printed Name of Authorized Individual

Senior Vice President and
Chief Financial Officer

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

W. R. Grace & Co.
Monthly Financial Report
December 31, 2005

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Bank Statements**Federal Income Tax Returns**

none

Forward-Looking Information

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

Statement of Confidentiality

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

Monthly Operating Report

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

December 2005

	JP Morgan Chase Disbursement 9101013572	First Union Deposit Acct 2199500021812	First Union Payroll 2079900003615	Merrill Lynch Investment 3323735	Bank of America Lokbox 8188703107	JP Morgan Chase Holding 323223141	JP Morgan Chase Concentration 16001257
CASH BEGINNING OF MONTH	\$ 135,043	\$ (0)	\$ 0	\$ 169,555,310	\$ 15,405	\$ 763,503	\$ 233,876
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES							
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES		20,567,374		568,594		2,581	3,730,896
TRANSFERS IN - NONFILING ENTITIES							31,973,408
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	100,000			95,500,000			215,821,001
MISCELLANEOUS							
TOTAL RECEIPTS	100,000	20,567,374	-	96,068,594		2,581	251,525,305
DISBURSEMENTS							
PAYROLL							
PAYROLL TAXES							
TRADE PAYABLES - THIRD PARTIES					57,469		10,724,781
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION							
PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							190,185
TRANSFERS OUT - THIRD PARTIES	178,822						6,993,945
TRANSFERS OUT - NONFILING ENTITIES							4,431,607
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		20,567,374		67,500,000			228,579,562
MISCELLANEOUS							
TOTAL DISBURSEMENTS	178,822	20,567,374	-	67,500,000	57,469	-	250,920,080
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(78,822)	-	-	28,568,594	(57,469)	2,581	605,225
CASH - END OF MONTH	56,221	(0)	0	198,123,905	(42,064)	766,084	839,101

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of certain other debtor entities, generally and primarily those that are inactive and/or have no direct employees. Such expenditures are generally de minimis and could include professional fees, state registration fees, business license fees and certain taxes.

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

December 2005

	Bank of America Lockbox 8168203114	Banc of America Securities LLC 22330134	First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079300005800	First Union Libby Medical 2079900065006
CASH BEGINNING OF MONTH	\$ 2,005,690	\$ 38,312,163	\$ (0)	\$ 2	\$ (0)	\$ (0)
RECEIPTS						
ACCOUNTS RECEIVABLE - THIRD PARTIES	51,858,279					
ACCOUNTS RECEIVABLE - INTERCOMPANY	905,250					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI						
DIP BORROWINGS						
TRANSFERS IN - THIRD PARTIES		123,610				
TRANSFERS IN - NONFILING ENTITIES						
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		19,071,758	113,100,000	18,807,912	514	162,066
MISCELLANEOUS			480,335	719,908		112
TOTAL RECEIPTS	52,763,529	19,195,367	113,580,335	19,527,820	626	162,066
DISBURSEMENTS						
PAYROLL				12,516,674		
PAYROLL TAXES				6,999,876		
TRADE PAYABLES - THIRD PARTIES						
TRADE PAYABLES - INTERCOMPANY						
ACCOUNT SECURITIZATION						
PAYMENTS AS SERVICER FOR GRPI						
DIP PRINCIPAL REPAYMENTS						
DIP INTEREST AND USAGE FEES						
TRANSFERS OUT - THIRD PARTIES		4,473,285			626	162,066
TRANSFERS OUT - NONFILING ENTITIES						
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		48,483,960		113,580,335		
MISCELLANEOUS						
TOTAL DISBURSEMENTS	52,957,245	-	113,580,335	19,516,550	626	162,066
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(193,716)	19,195,367	-	11,270	-	-
CASH - END OF MONTH	1,811,974	57,507,530	(0)	11,272	(0)	(0)

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	First Union Accts Payable 2079920005761	First Union Payroll 2079900067554	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005280	First Union Accts Payable 2079900005231	SunTrust Payroll 00000141309	PNC 4002641360	Hibernia Nat Disbursement 101391210	JP Morgan Chase Lockbox 304618494
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ 0	\$ 0	\$ 0	\$ 45,246	\$ 24,447	\$ 10,000	\$ (38,336)
RECEIPTS									
ACCOUNTS RECEIVABLE - THIRD PARTIES				29,258,551					4,158,144
ACCOUNTS RECEIVABLE - INTERCOMPANY				39,325,991					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI									
DIP BORROWINGS									
TRANSFERS IN - THIRD PARTIES									
TRANSFERS IN - NONFILING ENTITIES									
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	52,222,204			1,497,693	40,889,946				
MISCELLANEOUS				295,787	1,181,727				
TOTAL RECEIPTS	52,222,204		68,584,542	1,793,481	42,071,672				4,158,144
DISBURSEMENTS									
PAYROLL									
PAYROLL TAXES									
TRADE PAYABLES - THIRD PARTIES	(a) 48,129,550			1,793,481	42,071,672				
TRADE PAYABLES - INTERCOMPANY									
ACCOUNT SECURITIZATION									
PAYMENTS AS SERVICER FOR GRPI									
DIP PRINCIPAL REPAYMENTS									
DIP INTEREST AND USAGE FEES									
TRANSFERS OUT - THIRD PARTIES									
TRANSFERS OUT - NONFILING ENTITIES									
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			67,704,588						4,010,926
MISCELLANEOUS	4,092,654		879,954						
TOTAL DISBURSEMENTS	52,222,204	-	68,584,542	1,793,481	42,071,672	-	-	-	4,010,926
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)									147,218
CASH - END OF MONTH			0	0	0	45,246	24,447	10,000	108,882

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(a) These disbursements include Libby indictment, legal, and indemnification costs of \$1,945,837.

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

December 2005

	Affirst Payroll 16298657	First Union Petty Cash 20400000016900	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963772	Banco Interam. de Finanzas 007000107947
CASH BEGINNING OF MONTH	\$ (0)	\$ 56,345	\$ 4,493	\$ 583,179	\$ -
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES			7,628	267,914	
ACCOUNTS RECEIVABLE - INTERCOMPANY					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI					
DIP BORROWINGS					
TRANSFERS IN - THIRD PARTIES			200,105	18,489	90,914
TRANSFERS IN - NONFILING ENTITIES					
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS					
MISCELLANEOUS					
TOTAL RECEIPTS	-	-	207,734	286,403	90,914
DISBURSEMENTS					
PAYROLL			12,953		
PAYROLL TAXES			5,702		78,242
TRADE PAYABLES - THIRD PARTIES				99,763	
TRADE PAYABLES - INTERCOMPANY					
ACCOUNT SECURITIZATION					
PAYMENTS AS SERVICER FOR GRPI					
DIP PRINCIPAL REPAYMENTS					
DIP INTEREST AND USAGE FEES					
TRANSFERS OUT - THIRD PARTIES			176,237	200,000	7,322
TRANSFERS OUT - NONFILING ENTITIES					
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS					
MISCELLANEOUS			17,156	17,002	5,097
TOTAL DISBURSEMENTS	-	-	212,048	316,765	90,661
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	(4,315)	(30,361)	252
CASH - END OF MONTH	(0)	\$ 56,345	179	\$ 552,818	252

Note #1

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W. R. Grace & Co. - Conn Schedule of Cash Receipts and Disbursements MOR-1 December 2005						
	Banco Interam. de Finanzas 7000107707	Banco Sudamer. Operating Acc 10220251	Banco Sudamer. Operating Acc 10220280	Cash In Transit	Cash on Hand	Other
CASH BEGINNING OF MONTH	\$ -	\$ 30,991	\$ 70,415	\$ 1	\$ 44,425	\$ 178,295
RECEIPTS						
ACCOUNTS RECEIVABLE - THIRD PARTIES	346,119					
ACCOUNTS RECEIVABLE - INTERCOMPANY						
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI						
DIP BORROWINGS						
TRANSFERS IN - THIRD PARTIES	70,748			1,727,267		
TRANSFERS IN - NONFILING ENTITIES						
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS						
MISCELLANEOUS						
TOTAL RECEIPTS	416,867			1,727,267		
DISBURSEMENTS						
PAYROLL						
PAYROLL TAXES						
TRADE PAYABLES - THIRD PARTIES	284,104					
TRADE PAYABLES - INTERCOMPANY						
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI						
DIP PRINCIPAL REPAYMENTS						
DIP INTEREST AND USAGE FEES						
TRANSFERS OUT - THIRD PARTIES	60,000	30,869	70,415			
TRANSFERS OUT - NONFILING ENTITIES						
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS						
MISCELLANEOUS	3,275	122				(69,091)
TOTAL DISBURSEMENTS	347,379	30,991	70,415	-	-	(69,091)
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	69,488	(30,991)	(70,415)	1,727,267	-	69,091
CASH - END OF MONTH	69,488	(0)	(1)	1,727,268	44,425	247,386

Note #1

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W. R. Grace & Co. - Conn Schedule of Cash Receipts and Disbursements MOR-1 December 2005		
	CURRENT MONTH	
	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	212,030,494	\$ -
RECEIPTS		
ACCOUNTS RECEIVABLE - THIRD PARTIES	85,896,635	
ACCOUNTS RECEIVABLE - INTERCOMPANY	40,231,241	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		
DIP BORROWINGS	-	
TRANSFERS IN - THIRD PARTIES	27,100,578	
TRANSFERS IN - NONFILING ENTITIES	31,973,408	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	557,173,094	
MISCELLANEOUS	2,677,869	
TOTAL RECEIPTS	745,052,825	
DISBURSEMENTS		
PAYROLL	12,529,625	
PAYROLL TAXES	7,083,820	
TRADE PAYABLES - THIRD PARTIES	103,160,820	
TRADE PAYABLES - INTERCOMPANY	-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		
DIP PRINCIPAL REPAYMENTS	-	
DIP INTEREST AND USAGE FEES	190,185	
TRANSFERS OUT - THIRD PARTIES	12,353,588	
TRANSFERS OUT - NONFILING ENTITIES	4,431,607	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	550,426,746	
MISCELLANEOUS	4,946,170	
TOTAL DISBURSEMENTS	695,122,563	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	49,930,262	
CASH - END OF MONTH	261,960,757	\$ -

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W.R. Grace & Co.

Schedule of Cash Receipts and Disbursements

MOR-1

December 2005

	JP Morgan Chase Pass Through 323881963	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	-
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES			-
ACCOUNTS RECEIVABLE - INTERCOMPANY			-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI			-
DIP BORROWINGS			-
TRANSFERS IN - THIRD PARTIES			-
TRANSFERS IN - NONFILING ENTITIES			-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	808,267	808,267	-
TOTAL RECEIPTS	808,267	808,267	-
DISBURSEMENTS			
PAYROLL			-
PAYROLL TAXES			-
TRADE PAYABLES - THIRD PARTIES			-
TRADE PAYABLES - INTERCOMPANY			-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI			-
DIP PRINCIPAL REPAYMENTS			-
DIP INTEREST AND USAGE FEES			-
TRANSFERS OUT - THIRD PARTIES			-
TRANSFERS OUT - NONFILING ENTITIES			-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	808,267	808,267	-
MISCELLANEOUS			-
TOTAL DISBURSEMENTS	808,267	808,267	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)			-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Remedium Group, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

December 2005

	JP Morgan Chase Depository/Wire 323883842	JP Morgan Chase Disbursement 601831985	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 0	\$ (58,029)	\$ 0	\$ (58,029)	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES					
ACCOUNTS RECEIVABLE - INTERCOMPANY					-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI					-
DIP BORROWINGS					-
TRANSFERS IN - THIRD PARTIES	4,000		391	4,391	
TRANSFERS IN - NONFILING ENTITIES					-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	2,287,677	808,524		3,096,201	
TOTAL RECEIPTS	2,291,677	808,524	391	3,100,592	
DISBURSEMENTS					
PAYROLL					-
PAYROLL TAXES					-
TRADE PAYABLES - THIRD PARTIES					-
TRADE PAYABLES - INTERCOMPANY					-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI					-
DIP PRINCIPAL REPAYMENTS					-
DIP INTEREST AND USAGE FEES					-
TRANSFERS OUT - THIRD PARTIES		1,374,811		1,374,811	
TRANSFERS OUT - NONFILING ENTITIES					-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	2,292,068			2,292,068	
MISCELLANEOUS					-
TOTAL DISBURSEMENTS	2,292,068	1,374,811	-	3,666,879	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(391)	(566,288)	391	(566,288)	
CASH - END OF MONTH	(391)	(624,317)	391	(624,317)	

Darex Puerto Rico, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

December 2005

	Citibank Operating Acct 300153011	Petty Cash	Other	Cash-In-Transit	CURRENT MONTH	
					ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 7,366,707	\$ 1,500	\$ -	\$ 0	\$ 7,368,207	
RECEIPTS						
ACCOUNTS RECEIVABLE - THIRD PARTIES	627,693				627,693	
ACCOUNTS RECEIVABLE - INTERCOMPANY					-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI					-	
DIP BORROWINGS					-	
TRANSFERS IN - THIRD PARTIES					-	
TRANSFERS IN - NONFILING ENTITIES					-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	235,328				235,328	
TOTAL RECEIPTS	863,022				863,022	
DISBURSEMENTS						
PAYROLL	8,805				8,805	
PAYROLL TAXES	2,235				2,235	
TRADE PAYABLES - THIRD PARTIES	196,734				196,734	
TRADE PAYABLES - INTERCOMPANY					-	
ACCOUNT SECURITIZATION					-	
PAYMENTS AS SERVICER FOR GRPI					-	
DIP PRINCIPAL REPAYMENTS					-	
DIP INTEREST AND USAGE FEES					-	
TRANSFERS OUT - THIRD PARTIES					-	
TRANSFERS OUT - NONFILING ENTITIES					-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	235,328				235,328	
MISCELLANEOUS					-	
TOTAL DISBURSEMENTS	443,103				443,103	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	419,919				419,919	
CASH - END OF MONTH	7,786,626	1,500		0	7,788,126	

Grace International Holdings		Grace International Holdings 323136524	CURRENT MONTH	
			ACTUAL	PROJECTED
CASH BEGINNING OF MONTH		\$ -	\$ -	-
RECEIPTS				-
ACCOUNTS RECEIVABLE - THIRD PARTIES				-
ACCOUNTS RECEIVABLE - INTERCOMPANY				-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-
DIP BORROWINGS				-
TRANSFERS IN - THIRD PARTIES				-
TRANSFERS IN - NONFILING ENTITIES		7,571,810	7,571,810	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				-
TOTAL RECEIPTS		7,571,810	7,571,810	-
DISBURSEMENTS				-
PAYROLL				-
PAYROLL TAXES				-
TRADE PAYABLES - THIRD PARTIES				-
TRADE PAYABLES - INTERCOMPANY				-
ACCOUNT SECURITIZATION				-
PAYMENTS AS SERVICER FOR GRPI				-
DIP PRINCIPAL REPAYMENTS				-
DIP INTEREST AND USAGE FEES				-
TRANSFERS OUT - THIRD PARTIES				-
TRANSFERS OUT - NONFILING ENTITIES				-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		7,550,480	7,550,480	-
MISCELLANEOUS				-
TOTAL DISBURSEMENTS		7,550,480	7,550,480	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)		21,330	21,330	-
CASH - END OF MONTH		\$ 21,330	\$ 21,330	\$ -

CC Partners		First Union Deposit Acct 2199500031802	CURRENT MONTH	
			ACTUAL	PROJECTED
CASH BEGINNING OF MONTH		\$ -	\$ -	
RECEIPTS		No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES			-	
ACCOUNTS RECEIVABLE - INTERCOMPANY			-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI			-	
DIP BORROWINGS			-	
TRANSFERS IN - THIRD PARTIES			-	
TRANSFERS IN - NONFILING ENTITIES			-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			-	
TOTAL RECEIPTS			-	-
DISBURSEMENTS				
PAYROLL			-	
PAYROLL TAXES			-	
TRADE PAYABLES - THIRD PARTIES			-	
TRADE PAYABLES - INTERCOMPANY			-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI			-	
DIP PRINCIPAL REPAYMENTS			-	
DIP INTEREST AND USAGE FEES			-	
TRANSFERS OUT - THIRD PARTIES			-	
TRANSFERS OUT - NONFILING ENTITIES			-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			-	
MISCELLANEOUS			-	
TOTAL DISBURSEMENTS			-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)			-	-
CASH - END OF MONTH		\$ -	\$ -	\$ -

Kootenai Development Company Schedule of Cash Receipts and Disbursements MOR-1 December 2005		First National Bank of Montana 1049097	CURRENT MONTH	
			ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 11,839	\$ 11,839	\$ 11,839	\$ -
RECEIPTS:				
ACCOUNTS RECEIVABLE - THIRD PARTIES				
ACCOUNTS RECEIVABLE - INTERCOMPANY				
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				
DIP BORROWINGS				
TRANSFERS IN - THIRD PARTIES				
TRANSFERS IN - NONFILING ENTITIES				
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	54,000		54,000	
TOTAL RECEIPTS	54,000		54,000	
DISBURSEMENTS:				
PAYROLL				
PAYROLL TAXES				
TRADE PAYABLES - THIRD PARTIES				
TRADE PAYABLES - INTERCOMPANY				
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				
DIP PRINCIPAL REPAYMENTS				
DIP INTEREST AND USAGE FEES				
TRANSFERS OUT - THIRD PARTIES	5,551		5,551	
TRANSFERS OUT - NONFILING ENTITIES				
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				
MISCELLANEOUS				
TOTAL DISBURSEMENTS	5,551		5,551	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	48,449		48,449	
CASH - END OF MONTH	\$ 60,288	\$ 60,288	\$ 60,288	\$ -

Grace Europe, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

December 2005

	Barclays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	\$ -
RECEIPTS	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES			-
ACCOUNTS RECEIVABLE - INTERCOMPANY			-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI			-
DIP BORROWINGS			-
TRANSFERS IN - THIRD PARTIES			-
TRANSFERS IN - NONFILING ENTITIES			-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			-
TOTAL RECEIPTS			-
DISBURSEMENTS			
PAYROLL			-
PAYROLL TAXES			-
TRADE PAYABLES - THIRD PARTIES			-
TRADE PAYABLES - INTERCOMPANY			-
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI			-
DIP PRINCIPAL REPAYMENTS			-
DIP INTEREST AND USAGE FEES			-
TRANSFERS OUT - THIRD PARTIES			-
TRANSFERS OUT - NONFILING ENTITIES			-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			-
MISCELLANEOUS			-
TOTAL DISBURSEMENTS			-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)			-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Gloucester New Communities Company, Inc.		Cash On Hand	CURRENT MONTH	
Schedule of Cash Receipts and Disbursements			ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	\$ 500	\$ -
RECEIPTS	No Activity			
ACCOUNTS RECEIVABLE - THIRD PARTIES			-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY			-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI			-	-
DIP BORROWINGS			-	-
TRANSFERS IN - THIRD PARTIES			-	-
TRANSFERS IN - NONFILING ENTITIES			-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			-	-
TOTAL RECEIPTS			-	-
DISBURSEMENTS				
PAYROLL			-	-
PAYROLL TAXES			-	-
TRADE PAYABLES - THIRD PARTIES			-	-
TRADE PAYABLES - INTERCOMPANY			-	-
ACCOUNT SECURITIZATION			-	-
PAYMENTS AS SERVICER FOR GRPI			-	-
DIP PRINCIPAL REPAYMENTS			-	-
DIP INTEREST AND USAGE FEES			-	-
TRANSFERS OUT - THIRD PARTIES			-	-
TRANSFERS OUT - NONFILING ENTITIES			-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			-	-
MISCELLANEOUS			-	-
TOTAL DISBURSEMENTS			-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)			-	-
CASH - END OF MONTH	\$ 500	\$ 500	\$ -	\$ -

Dewey & Almy, LLC

Schedule of Cash Receipts and Disbursements

MOR-1

December 2005

	Miscellaneous	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	-
RECEIPTS	No Activity	-	-
ACCOUNTS RECEIVABLE - THIRD PARTIES	-	-	-
ACCOUNTS RECEIVABLE - INTERCOMPANY	-	-	-
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI	-	-	-
DIP BORROWINGS	-	-	-
TRANSFERS IN - THIRD PARTIES	-	-	-
TRANSFERS IN - NONFILING ENTITIES	-	-	-
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	-	-	-
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS	-	-	-
PAYROLL	-	-	-
PAYROLL TAXES	-	-	-
TRADE PAYABLES - THIRD PARTIES	-	-	-
TRADE PAYABLES - INTERCOMPANY	-	-	-
ACCOUNT SECURITIZATION	-	-	-
PAYMENTS AS SERVICER FOR GRPI	-	-	-
DIP PRINCIPAL REPAYMENTS	-	-	-
DIP INTEREST AND USAGE FEES	-	-	-
TRANSFERS OUT - THIRD PARTIES	-	-	-
TRANSFERS OUT - NONFILING ENTITIES	-	-	-
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	-	-	-
MISCELLANEOUS	-	-	-
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Chart 2

W. R. Grace & Co. - Conn Bank Reconciliations November, 2005 MOR-1		JP Morgan Chase Disbursement 9101013572	Wachovia Lockbox 8619039102	First Union Deposit Acct 2199500021812	First Union Payroll 2079900003615	Merrill Lynch Investments 3323735			
Balance per books		\$ 135,043	\$ -	\$ -	\$ -	\$ 169,555,310			
Bank Balance (+) Deposits in transit (-) Outstanding checks Other		\$ 135,043	\$ -	\$ 10,000 (10,000)	\$ -	\$ 169,555,310			
Adjusted bank balance		\$ 135,043	\$ -	\$ -	\$ -	\$ 169,555,310			
Deposits in Transit		Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks		CK #	Amount	CK #	Amount	CK #	Amount	CK #	Amount
Other									
Transfers between bank accounts Accounting error Interest not recorded on books Bank fees not recorded on books Payroll tax payments not recorded Unreconciled bank activity Unreconciled ledger activity Reclass negative cash balance Returned item adjustment Payroll/other activity in transit Petty cash funds Reporting reclass Unrecorded deposit					\$ (10,000)				

W. R. Grace & Co. - Conn Bank Reconciliations November, 2005 MOR-1										
	JP Morgan Chase Holding 323223141	JP Morgan Chase Concentration 16001257	Bank of America Lockbox 8186203114	Bank of America Securities LLC 22330134	First Union Concentration 20000028212					
Balance per books	\$ 763,503	\$ 233,876	\$ 2,005,690	\$ 38,312,163	\$ -					
Bank Balance (+) Deposits in transit (-) Outstanding checks Other	\$ - 763,503	\$ 238,128 (4,252)	\$ 2,004,972 718	\$ 38,312,163	\$ 4,995,689 (4,995,689)					
Adjusted bank balance	\$ 763,503	\$ 233,876	\$ 2,005,690	\$ 38,312,163	\$ -					
Deposits in transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck#	Amount	Ck#	Amount	Ck#	Amount	Ck#	Amount	Ck#	Amount
Other										
Transfers between bank accounts Accounting error Interest not recorded on books Bank fees not recorded on books Payroll tax payments not recorded Unreconciled bank activity Unreconciled ledger activity Reclass negative cash balance Returned item adjustment Payroll/other activity in transit Petty cash funds Reporting reclass Unrecorded deposit		763,503		(4,252)		718				(4,995,689)

Chart 2

W. R. Grace & Co. - Conn Bank Reconciliations November, 2005 MOR-1									
	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	Civic Bank Payroll 15502015736	First Union Libby Medical 2079900065006	First Union Accts Payable 2079920005761				
Balance per books	\$ 2	\$ -	\$ -	\$ -	\$ -				\$ -
Bank Balance (+) Deposits in transit (-) Outstanding checks Other	\$ 2 (301,464) 301,464	\$ - (462) 462	\$ -	\$ -	\$ -				\$ - (10,709,242) 10,709,242
Adjusted bank balance	\$ 2	\$ -	\$ -	\$ -	\$ -				\$ -
Deposits in transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date
Outstanding Checks	Cr/L	Amount	Cr/L	Amount	Cr/L	Amount	Cr/L	Amount	Cr/L
	Detail Available		12586 32048 32049 33960 34066 34243 37009 39027 39028 39029 39030 39031 39032 39033	(15) (20) (1) (1) (50) (1) (88) (6) (33) (35) (26) (31) (55) (100)					Detail Available
Other			301,464		4,154 (100) (3,592)				(1,082,556) (128,671) 11,920,469
Transfers between bank accounts									
Accounting error									
Interest not recorded on books									
Bank fees not recorded on books									
Payroll tax payments not recorded									
Unreconciled bank activity									
Unreconciled ledger activity									
Reclass negative cash balance									
Returned item adjustment									
Payroll/other activity in transit									
Petty cash funds									
Reporting reclass									
Unrecorded deposit									

Chart 2

W. R. Grace & Co. - Conn Bank Reconciliations November, 2005 MOR-1		First Union Payroll 2079900067554	Wachovia Lockbox 1856-0825356	First Union Accts payable 2079900005260	JP Morgan Chase Lockbox 304616494	Alfirst Payroll 16299631
Balance per books		\$ -	\$ -	\$ -	\$ (38,336)	\$ -
Bank Balance (+) Deposits in transit (-) Outstanding checks Other		\$ -	\$ 944,891	\$ -	\$ -	\$ -
Adjusted bank balance		\$ -	\$ (944,891)	\$ (495,485) 495,485	\$ (38,336)	\$ -
Deposits in transit		Date	Amount	Date	Amount	Date
Outstanding Checks		Ck #	Amount	Ck #	Amount	Ck #
Other						
Transfers between bank accounts						
Accounting error						
Interest not recorded on books						
Bank fees not recorded on books						
Payroll tax payments not recorded						
Unreconciled bank activity						
Unreconciled ledger activity						
Reclass negative cash balance						
Returned item adjustment						
Payroll/other activity in transit						
Petty cash funds						
Reporting reclass						
Unrecorded deposit						

W. R. Grace & Co. - Conn
 Bank Reconciliations
 November, 2005
 MOR-1

	SunTrust Payroll 00000141309	PNC 4002641360	Government Disbursement 101391210	Bank of America Payroll 000000022137	Airtel Payroll 16298657
Balance per books	\$ 45,246	\$ 24,447	\$ 10,000	\$ -	\$ -
Bank Balance (+) Deposits in transit (-) Outstanding checks Other	\$ 45,246	\$ 24,447	\$ 10,000	\$ -	\$ -
Adjusted bank balance	\$ 45,246	\$ 24,447	\$ 10,000	\$ -	\$ -
Deposits in transit	Date	Amount	Date	Amount	Date
Outstanding Checks	Date	Amount	Ck #	Amount	Ck #
Other					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books					
Bank fees not recorded on books					
Payroll tax payments not recorded					
Unreconciled bank activity					
Unreconciled ledger activity					
Reclass negative cash balance					
Returned item adjustment					
Payroll/other activity in transit					
Petty cash funds					
Reporting reclass					
Unrecorded deposit					

Chart 2

W. R. Grace & Co. - Conn
 Bank Reconciliations
 November, 2005
 MOR-1

	First Union Petty Cash 2040000016900	Banco de Credito Operating Acc/ 1601115122058	Banco de Credito Operating Acc/ 19311125963172	Banco de Credito Time Deposit 0015620	Banco de Sudamericano Operating Acc/ 110220251
Balance per books	\$ 56,345	(Soles) 15,304		\$ 583,179	\$ - (Soles) 105,557
Bank Balance (+) Deposits in transit (-) Outstanding checks Other	\$ 39,459 16,886	15,304		\$ 583,695 (516)	\$ - 105,557
Adjusted bank balance	\$ 56,345	(Soles) 15,304		\$ 583,179	\$ - (Soles) 105,557
Deposits in transit	Date	Amount	Date	Date	Date
					11/28/05 105,557
Outstanding Checks	Ck#	Amount	Ck#	Ck#	Ck#
				8711386 (516)	
Other					
Transfers between bank accounts Accounting error Interest not recorded on books Bank fees not recorded on books Payroll tax payments not recorded Unreconciled bank activity Unreconciled ledger activity Reclass negative cash balance Returned item adjustment Payroll/other activity in transit Petty cash funds Reporting reclass Unrecorded deposit		886 16,000			

W. R. Grace & Co. - Conn Bank Reconciliations November, 2005 MOR-1		Bank of Sudamericano Operating Acc 10220260
Balance per books	\$	70,415
Bank Balance	\$	-
(+) Deposits in transit		70,415
(-) Outstanding checks		
Other		
Adjusted bank balance	\$	70,415
Deposits in Transit	Date	
	11/28/05	70,415
Outstanding Checks		
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		
Payroll tax payments not recorded		
Unreconciled bank activity		
Unreconciled ledger activity		
Reclass negative cash balance		
Returned item adjustment		
Payroll/other activity in transit		
Petty cash funds		
Reporting reclass		
Unrecorded deposit		

W. R. Grace & Co. Bank Reconciliations November, 2005 MOR-1	
	JPMorgan Chase Pass Through 323881963
Balance per books	\$ -
Bank Balance (+) Deposits in transit (-) Outstanding checks Other	\$ -
Adjusted bank balance	\$ -
Deposits in Transit	Date Amt
Outstanding Checks	Ck. # Amt
Other	
Transfers between bank accounts Accounting error Interest not recorded on books Bank fees not recorded on books Payroll tax payments not recorded Unreconciled bank activity Unreconciled ledger activity Returned item adjustment Payroll activity in transit Petty cash funds	

		JP Morgan Chase Pass Through 323883842	JP Morgan Chase Disbursement 601831985
Balance per books	\$ -		\$ (58,029)
Bank Balance	\$ -		\$ -
(+) Deposits in transit			
(-) Outstanding checks			(58,029)
Other			
Adjusted bank balance	\$ -		\$ (58,029)
Deposits In Transit	Date	Amount	Date
Outstanding Checks	CK #	Amount	CK #
			6640 (150)
			6722 (200)
			6725 (313)
			6734 (6,263)
			6738 (100)
			6739 (112)
			6740 (200)
			6741 (212)
			6742 (225)
			6743 (313)
			6744 (313)
			6745 (625)
			6747 (100)
			6749 (150)
			6751 (528)
			6752 (676)
			6753 (10,454)
			6754 (37,095)
Other			
Transfers between bank accounts			
Accounting error			
Interest not recorded on books			
Bank fees not recorded on books			
Payroll tax payments not recorded			
Unreconciled bank activity			
Unreconciled ledger activity			
Returned item adjustment			
Payroll activity in transit			
Petty cash funds			

CC Partners Bank Reconciliations November, 2005 MOR-1		
	First Union Deposit Acct 2199500031802	
Balance per books	\$ -	
Bank Balance (+) Deposits in transit (-) Outstanding checks Other	\$ -	
Adjusted bank balance	\$ -	
Deposits in Transit		
Outstanding Checks		
Other		
Transfers between bank accounts Accounting error Interest not recorded on books Bank fees not recorded on books Payroll tax payments not recorded Unreconciled bank activity Unreconciled ledger activity Returned item adjustment Payroll activity in transit Petty cash funds		

Darex Puerto Rico, Inc. Bank Reconciliations November, 2005 MOR-1		
		Citizen Operating Acct 300153011
Balance per books		\$ 7,366,707
Bank Balance (+) Deposits in transit (-) Outstanding checks Other		\$ 7,501,169 75,590 (234,975) 24,923
Adjusted bank balance		\$ 7,366,707
Deposits in transit		Date Am.
		11/28/05 75,771 11/28/05 (181)
Outstanding Checks		Ck. No. Am.
		15461 (27) 15904 (728) 16971 (921) 17225 (6,111) 17288 (128,882) 17901 (240) 17926 (1,980) 17929 (240) 17930 (100) 17935 (81) 17936 (146) 17942 (62,984) 17938 (545) 17932 (18) 17940 (3,375) 17937 (216) 17933 (45) 17939 (2,168) 17934 (77) 17944 (2,755) 17946 (17,800) Various (5,536)
Other		
Transfers between bank accounts Accounting error Interest not recorded on books Bank fees not recorded on books Payroll tax payments not recorded Unreconciled bank activity Unreconciled ledger activity Returned item adjustment Payroll activity in transit Petty cash funds		24,923

Chart 2

Grace Europe, Inc. Bank Reconciliations November, 2005 MOR-1		Barclays Bank PLC
Balance per books		\$ -
Bank Balance (+) Deposits in transit (-) Outstanding checks Other		\$ -
Adjusted bank balance		\$ -
Deposits in Transit	Date	Amt
Outstanding Checks	Ck #	Amt
Other		
Transfers between bank accounts Accounting error Interest not recorded on books Bank fees not recorded on books Payroll tax payments not recorded Unreconciled bank activity Unreconciled ledger activity Returned item adjustment Payroll activity in transit Petty cash funds		

Kootenai Development Company Bank Reconciliations November, 2005 MOR-1	
	First National Bank of Montana Checking (049097)
Balance per books	\$ 11,839
Bank Balance	\$ 6,288
(+) Deposits in transit	
(-) Outstanding checks	
Other	5,551
Adjusted bank balance	\$ 11,839
Deposits in transit	
Outstanding Checks	
Other	
Transfers between bank accounts	
Accounting error	
Interest not recorded on books	
Bank fees not recorded on books	
Payroll tax payments not recorded	
Unreconciled bank activity	
Unreconciled ledger activity	
Returned item adjustment	60
Payroll activity in transit	5,491
Petty cash funds	

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended December 31, 2005

	W.R. Grace & Co., Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.	Grace Europe, Inc.	L.B. Realty, Inc.
Net sales to third parties	\$ 76,426,844	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	30,374,711	-	-	-	-	-	-	-	-
Net sales to filing entities	118,256	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	3,397,803	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(6,579,999)	4,130,642	628,303	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	103,737,614	4,130,642	628,303	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to non-filing entities	56,816,579	-	(3,710)	-	-	-	-	-	-
Cost of goods sold to filing entities	25,226,178	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	78,866	-	-	-	-	-	-	-	-
Research and development expenses	(a) 55,853,952	246,000	4,466,187	3,250	3,250	72,729	-	-	-
Depreciation and amortization	3,402,776	-	-	-	-	-	-	-	-
Interest expense	5,624,717	-	5,146	-	-	-	-	-	-
Other expense (income)	4,903,552	-	-	-	-	-	-	-	-
(29,778,110)	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	122,128,508	246,000	4,467,623	3,250	3,250	72,729	-	-	-
Chapter 11 reorganization expenses, net	(18,390,894)	3,884,642	(3,839,320)	15,923	841,983	(72,729)	2,602,915	-	-
(Provision for) benefit from income taxes	(3,816,374)	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	6,028,119	(1,359,625)	1,343,259	(5,573)	(294,694)	49	(911,021)	(154)	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ (16,179,150)	\$ 2,525,017	\$ (2,496,061)	\$ 10,350	\$ 547,289	\$ (72,680)	\$ 1,691,894	\$ (154)	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W.R. Grace & Co. - Conn.

(a) Amount includes \$2,192,209 of expenses for Grace's legal and indemnification costs related to the Libby indictment. \$1,559,279 of this amount relates specifically to the indemnification costs of the seven current and former employees under indictment.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Statement of Operations

MOR - 2

Month Ended December 31, 2005

	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewife Land Corporation	Alewife Boston, Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
Net sales to third parties	\$ -	\$ 612,821	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	(483,934)	(13,905)	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	(1,646,266)	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(2,130,200)	598,916	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	234,028	47,164	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	7,133	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	31,882	-	-	-	-	-	-	3,250
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	83,376	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Other expense (income)	(12,836)	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(12,836)	356,420	47,164	-	-	-	-	-	3,250
Chapter 11 reorganization expenses, net	(2,117,363)	242,496	(47,164)	-	-	-	-	-	(3,250)
(Provision for) benefit from income taxes	1,114,911	207,290	16,507	-	-	-	-	-	1,138
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ (1,002,452)	\$ 449,786	\$ (30,657)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,112)

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Statement of Operations

MOR - 2

Month Ended December 31, 2005

	Kootenai Development Company	CBI Biomedical, Inc.	Armonic, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace-Tarpon Investors, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities										
Net sales to filing entities										
Interest and royalties from non-filing entities, net										
Interest and royalties from filing entities, net										
Cost of goods sold to third parties										
Cost of goods sold to non-filing entities										
Cost of goods sold to filing entities										
Selling, general and administrative expenses	5,551	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Other expense (income)	(120)	-	-	-	-	-	-	-	-	-
	5,431	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(5,431)	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	1,901	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ (3,530)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Statement of Operations

MOR - 2

Month Ended December 31, 2005

	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.	W.R. Grace Land Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities									
Net sales to filing entities									
Interest and royalties from non-filing entities, net									
Interest and royalties from filing entities, net									
Cost of goods sold to third parties									
Cost of goods sold to non-filing entities									
Cost of goods sold to filing entities									
Selling, general and administrative expenses									
Research and development expenses									
Depreciation and amortization									
Interest expense									
Other expense (income)									
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities									
Chapter 11 reorganization expenses, net									
(Provision for) benefit from income taxes									
Minority interest in income of subsidiary									
Equity in net income of non-filing entities									
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Statement of Operations

MOR - 2

Month Ended December 31, 2005

	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Other expense (income)	-	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Statement of Operations

MOR - 2

Month Ended December 31, 2005

	Grace Ventures Corp.	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracecoal II, Inc.	Gracoal, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Other expense (income)	-	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Statement of Operations

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Month Ended December 31, 2005

	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,039,665
Net sales to non-filing entities	-	-	-	-	-	(104,350)	-	30,374,711
Net sales to filing entities	-	-	-	-	-	-	-	2,913,869
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	(104,350)	-	110,328,245
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	57,094,060
Cost of goods sold to filing entities	-	-	-	-	-	(85,999)	-	25,226,178
Selling, general and administrative expenses	-	-	-	-	-	-	-	60,486,053
Research and development expenses	-	-	-	-	-	-	-	3,402,776
Depreciation and amortization	-	-	-	-	-	-	-	5,713,239
Interest expense	-	-	-	-	-	-	-	4,903,552
Other expense (income)	-	-	-	-	-	-	-	(29,791,067)
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	(85,999)	-	127,034,790
Chapter 11 reorganization expenses, net	-	-	-	-	-	(18,351)	-	(16,706,545)
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	(3,816,374)
Minority interest in income of subsidiary	-	-	-	-	-	-	-	6,142,107
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,351)	\$ 15,234,104	\$ 853,292

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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December 31, 2005

	W.R. Grace & Co., Conn	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 261,960,749	\$ -	\$ (624,317)	\$ -	\$ -	\$ -
Accounts and other receivables, net	115,435,282	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	398,635,383	(412,930,588)	(25,778,862)	12,878,572	(67,800,812)	(10,982,698)
Inventories	86,609,293	-	-	-	-	-
Deferred income taxes	19,079,500	-	3,255,633	-	-	-
Other current assets	24,158,907	-	-	-	-	-
Total Current Assets	905,879,115	(412,930,588)	(23,147,545)	12,878,572	(67,800,812)	(10,982,698)
Properties and equipment, net	341,442,987	-	399,188	-	-	-
Goodwill	14,499,091	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	84,799,213	-	-	-	-	-
Deferred income taxes	1,030,747,309	-	23,958,341	-	-	-
Asbestos-related insurance receivable	500,000,000	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,483,830,618)	948,458,627	113,587,157	5,281,665	228,648,939	-
Investment in filing and non-filing entities	828,032,783	241,512,111	-	-	-	-
Other assets	77,580,039	-	-	-	-	-
Total Assets	\$ 2,299,149,917	\$ 777,040,149	\$ 114,797,141	\$ 18,160,237	\$ 160,848,128	\$ (10,982,698)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	75,433,315	-	18,815	-	-	-
Income taxes payable	242,873	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	119,186,981	-	3,582	-	-	1,299
Total Current Liabilities	194,863,169	-	22,397	-	-	1,299
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	298,052,121	-	-	-	-	-
Minority interest in consolidated affiliates	32,026,256	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	379,484,154	-	-	-	-	-
Total Liabilities Not Subject to Compromise	904,425,700	-	22,397	-	-	1,299
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	684,681,993	-	-	-	-	-
Accounts payable	30,712,793	-	665,607	-	-	-
Income taxes payable	46,210,117	51,351,194	(12,241,146)	230,706	10,644,660	(13,511)
Asbestos-related liability	1,700,000,000	-	-	-	-	-
Other liabilities	524,367,733	-	77,752,211	-	2,038,811	-
Total Liabilities Subject to Compromise	2,985,972,637	51,351,194	66,176,672	230,706	12,683,471	(13,511)
Total Liabilities	3,890,398,337	51,351,194	66,199,069	230,706	12,683,471	(12,212)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	83,968,960	783,037	12,223	1,000	-	1,000
Paid in capital	142,809,878	419,720,618	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(1,396,582,178)	424,860,056	38,861,400	(16,123,935)	92,153,080	(10,971,486)
Treasury stock, at cost	-	(119,674,855)	-	-	-	-
Accumulated other comprehensive loss	(421,445,079)	100	-	-	-	-
Deferred compensation trust	-	100	-	-	-	-
Total Shareholders' Equity (Deficit)	(1,591,248,420)	725,688,955	48,598,072	17,929,531	148,164,657	(10,970,486)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 2,299,149,917	\$ 777,040,149	\$ 114,797,141	\$ 18,160,237	\$ 160,848,128	\$ (10,982,698)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

December 31, 2005

	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewife Land Corporation
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ 87,660	\$ -	\$ 21,330	\$ 7,788,126	\$ -
Accounts and other receivables, net	(386,938,610)	5,592,950	140,524,854	(85,339,254)	2,479,447	(4,567,060)
Receivables from/(payables to) filing and non-filing entities, net	-	(0)	-	-	(3,242,820)	-
Inventories	-	81,103	-	-	188,650	-
Deferred income taxes	-	-	-	-	6,448	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(386,938,610)	5,761,713	140,524,854	(85,317,924)	7,219,852	(4,567,060)
Properties and equipment, net	-	-	-	-	575,415	-
Goodwill	-	-	-	-	4,377,631	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	528,808,452	(3,276,551)	-	19,276,550	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Other assets	-	54,000	-	9,464,761	8,764,895	-
Total Assets	\$ 141,869,842	\$ 2,539,162	\$ 140,524,854	\$ 2,092,852	\$ 20,937,792	\$ (4,567,060)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	23,566	-	-	1,044,328	-
Income taxes payable	-	-	-	-	(242,605)	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	354,597	-	-	18,071	-
Total Current Liabilities	-	378,162	-	-	819,794	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	0	-	2,786,749	-	-
Minority interest in consolidated affiliates	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	378,163	-	2,786,749	819,794	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	133,907	-
Income taxes payable	32,796,216	(900,353)	(150)	(11,884,112)	2,781,107	(192,195)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	231,722	-	-	-	-
Total Liabilities Subject to Compromise	32,796,216	(668,631)	(150)	(11,884,112)	2,915,014	(192,195)
Total Liabilities	32,796,216	(290,469)	(150)	(9,097,363)	3,734,809	(192,195)
Shareholders' Equity (Deficit)						
Preferred Stock	112	-	-	-	-	-
Common Stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	61,845,489	13,074,177	274,606
(Accumulated deficit)/Retained earnings	138,339,924	(483,454)	115,166,011	(94,889,058)	4,127,806	(4,649,671)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	3,312,084	-	44,232,784	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	109,073,626	2,829,631	140,525,004	11,190,215	17,202,983	(4,374,865)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 141,869,842	\$ 2,539,162	\$ 140,524,854	\$ 2,092,852	\$ 20,937,792	\$ (4,567,060)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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December 31, 2005

	Alewife Boston Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(23,021)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(2,143,580)	-	(57,817,172)	(110)	(330)	(23,021)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Other assets	-	-	-	-	-	-
Total Assets	\$ (2,143,580)	\$ -	\$ (23,763,706)	\$ 54,499,890	\$ 54,499,670	\$ 55,988,556
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated affiliates	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(210)	-	-	(110)	(330)	(6,389)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(210)	-	-	(110)	(330)	(6,389)
Total Liabilities	(210)	-	-	(110)	(330)	(6,389)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,494,945
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	55,994,945
Total Liabilities and Shareholders' Equity (Deficit)	\$ (2,143,580)	\$ -	\$ (23,763,706)	\$ 54,499,890	\$ 54,499,670	\$ 55,988,556

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

December 31, 2005

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 60,288	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	(10,483)	(26,614,022)	57,347,191	(7,283,826)		
Inventories	-	-	-	-		
Deferred income taxes	-	-	-	-		
Other current assets	7,029	-	-	-		
Total Current Assets	56,833	(26,614,022)	57,347,191	(7,283,826)		
Properties and equipment, net	-	-	-	-		
Goodwill	-	-	-	-		
Cash value of company owned life insurance, net of policy loans	-	-	-	-		
Deferred income taxes	-	-	-	-		
Asbestos-related insurance receivable	-	-	-	-		
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-		
Investment in filing and non-filing entities	-	-	-	-		
Other assets	1,630,940	-	-	-		
Total Assets	\$ 1,687,773	\$ (26,614,022)	\$ 57,347,191	\$ (7,283,826)	\$ -	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-		
Income taxes payable	-	-	-	-		
Asbestos-related liability expected to be disbursed within one year	-	-	-	-		
Other current liabilities	-	-	-	-		
Total Current Liabilities	-	-	-	-		
Debt payable after one year	-	-	-	-		
Deferred income taxes	-	-	-	-		
Minority interest in consolidated affiliates	551,649	5,000	-	-		
Asbestos-related liability expected to be disbursed after one year	-	-	-	-		
Other liabilities	-	-	-	-		
Total Liabilities Not Subject to Compromise	551,649	5,000	-	-		
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-		
Accounts payable	-	-	-	-		
Income taxes payable	(10,023)	(195)	10,346,794	(230)		
Asbestos-related liability	-	-	-	-		
Other liabilities	-	-	-	-		
Total Liabilities Subject to Compromise	(10,023)	(195)	10,346,794	(230)		
Total Liabilities	541,626	4,805	10,346,794	(230)		
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-		
Common Stock	-	-	-	-		
Paid in capital	1,164,954	859,233	3,671,658	5,150		
(Accumulated deficit)/Retained earnings	(18,806)	(27,478,060)	43,427,950	5,144,850		
Treasury stock, at cost	-	-	-	-		
Accumulated other comprehensive loss	-	-	(99,212)	-		
Deferred compensation trust	-	-	-	-		
Total Shareholders' Equity (Deficit)	1,146,148	(26,618,827)	47,000,396	(7,283,596)		
Total Liabilities and Shareholders' Equity (Deficit)	\$ 1,687,773	\$ (26,614,022)	\$ 57,347,191	\$ (7,283,826)	\$ -	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

MOR - 3

December 31, 2005

	Guarica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Receivables from/(payables to) filing and non-filing entities, net						
Inventories						
Deferred income taxes						
Other current assets						
Total Current Assets	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Properties and equipment, net						
Goodwill						
Cash value of company owned life insurance, net of policy loans						
Deferred income taxes						
Asbestos-related insurance receivable						
Loans receivable from/(payable to) filing and non-filing entities, net		94,022				
Investment in filing and non-filing entities						
Other assets						
Total Assets	\$ 5,824,284	\$ (8,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
Total Current Liabilities	-	-	-	3	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated affiliates	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	3	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(110)	-	(110)	(560)	(560)	(450)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(110)	-	(110)	(560)	(560)	(450)
Total Liabilities	(110)	-	(110)	(557)	(560)	(450)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(10,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	5,824,394	(8,966)	(1,118,993)	10,284,682	890	(2,417,264)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 5,824,284	\$ (8,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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December 31, 2005

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Receivables from/(payables to) filing and non-filing entities, net						
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ (26,312,455)	\$ (5,132,933)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (1,230,613)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated affiliates	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	(818)	(110)	(210)	(110)
Income taxes payable	-	-	-	-	-	(30)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	-	(818)	(110)	(210)	(110)	(30)
Total Liabilities	-	(818)	(110)	(210)	(110)	(30)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	-	1,000	1,000	1,000
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(1,230,683)
Treasury stock, at cost	-	-	-	-	-	50
Accumulated other comprehensive loss	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(1,230,583)
Total Liabilities and Shareholders' Equity (Deficit)	\$ (26,312,455)	\$ (5,132,933)	\$ (3,350,634)	\$ (2,509,849)	\$ 840	\$ (1,230,613)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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December 31, 2005

	W.R. Grace Land Corporation	G C Management Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	36,708,315	-	(73,061)	(12,559,518)	(264,688)	(19,464,242)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	36,708,315	-	(73,061)	(12,559,518)	(264,688)	(19,463,742)
Properties and equipment, net					438,445	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net						
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
Total Assets	\$ 42,993,121	\$ -	\$ (73,061)	\$ (12,559,518)	\$ 173,757	\$ (19,459,676)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	-
Total Current Liabilities	-	-	-	-	199	4,066
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated affiliates	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	199	4,066
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(821)	-	(110)	(265)	(759)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(821)	-	(110)	(265)	(759)	-
Total Liabilities	(821)	-	(110)	(265)	(560)	4,066
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	-	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	42,993,942	-	(72,951)	(12,559,253)	174,317	(19,463,742)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 42,993,121	\$ -	\$ (73,061)	\$ (12,559,518)	\$ 173,757	\$ (19,459,676)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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December 31, 2005

	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	23,478,717	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	23,478,717	6,345,361	810,265	(59,581,637)	(185)	(86,721)
Properties and equipment, net						
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 23,478,717	\$ 6,345,361	\$ 810,265	\$ (59,581,637)	\$ (185)	\$ (86,721)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated affiliates	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(1,432)	(300)	(335)	(405)	(185)	(110)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(1,432)	(300)	(335)	(405)	(185)	(110)
Total Liabilities	(1,432)	(300)	(335)	(405)	(185)	(110)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	-
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	1,900,000
Treasury stock, at cost	-	-	-	-	-	(1,986,611)
Accumulated other comprehensive loss	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 23,478,717	\$ 6,345,361	\$ 810,265	\$ (59,581,637)	\$ (185)	\$ (86,721)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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December 31, 2005

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net						
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,389,612	(15,750,664)	5,296,839	875,359	(5,314)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	352,712,699	4,389,612	(15,750,664)	5,296,839	875,359	(5,314)
Properties and equipment, net						
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 504,081,786	\$ (9,746,113)	\$ (15,750,664)	\$ 5,296,839	\$ 875,359	\$ (5,314)
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Minority interest in consolidated affiliates	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	-	-	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(119)	(110)	-	(360)	(310)	(260)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(119)	(110)	-	(360)	(310)	(260)
Total Liabilities	(119)	(110)	-	(360)	(310)	(260)
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	504,081,905	(9,746,003)	(15,750,664)	5,297,199	875,669	(5,054)
Total Liabilities and Shareholders' Equity (Deficit)	\$ 504,081,786	\$ (9,746,113)	\$ (15,750,664)	\$ 5,296,839	\$ 875,359	\$ (5,314)

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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December 31, 2005

	Coalgate II, Inc.	Graco II, Inc.	Graco, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Receivables from/(payables to) filing and non-filing entities, net						
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total Current Assets	108,080	130,215,533	145,239,206	(81,115,113)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Total Assets	\$ 108,080	\$ 130,215,533	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	26,339,901	26,339,901	-	-	-
Minority interest in consolidated affiliates	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	-	26,339,901	26,339,901	-	-	-
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	(360)	2,687,560	2,687,735	(480)	(110)	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Total Liabilities Subject to Compromise	(360)	2,687,560	2,687,735	(480)	(110)	-
Total Liabilities	(360)	29,027,461	29,027,636	(480)	(110)	-
Shareholders' Equity (Deficit)						
Preferred Stock						
Common Stock	1,000	1,000	100	124,473	1,000	-
Paid in capital		30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
Deferred compensation trust	-	-	-	-	-	-
Total Shareholders' Equity (Deficit)	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
Total Liabilities and Shareholders' Equity (Deficit)	\$ 108,080	\$ 130,215,533	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

W.R. Grace & Co. - Chapter 11 Filing Entities

Combining Balance Sheet

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December 31, 2005

	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	Reporting Reclassses	COMBINED FILING ENTITIES
ASSETS						
Current Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 269,206,677
Accounts and other receivables, net	-	-	-	-	-	118,002,389
Receivables from/(payables to) filing and non-filing entities, net	-	-	-	-	200,000	62,325,630
Inventories	-	-	-	-	-	86,797,943
Deferred income taxes	-	-	-	-	(3,088,740)	19,333,945
Other current assets	-	-	-	-	-	24,165,936
Total Current Assets	-	-	-	-	(2,888,740)	579,832,519
Properties and equipment, net	-	-	-	-	-	342,856,034
Goodwill	-	-	-	-	-	18,876,721
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	84,799,213
Deferred income taxes	-	-	-	-	(353,518,672)	701,186,977
Asbestos-related insurance receivable	-	-	-	-	-	500,000,000
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	306,915,374
Investment in filing and non-filing entities	-	-	(1,326,102,717)	331,269,330	1,800,000	527,897,052
Other assets	-	-	(1,101,282)	-	-	96,397,421
Total Assets	\$ -	\$ -	\$ (1,327,203,999)	\$ 331,269,330	\$ (354,607,412)	\$ 3,158,761,311
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)						
Liabilities Not Subject to Compromise						
Current Liabilities						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	76,524,089
Income taxes payable	-	-	-	-	5,000,000	5,000,268
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	(13,888,740)	105,675,992
Total Current Liabilities	-	-	-	-	(8,888,740)	187,200,349
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	(353,518,672)	-
Minority interest in consolidated affiliates	-	-	-	-	-	32,582,905
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	(100,000)	-	-	379,384,154
Total Liabilities Not Subject to Compromise	-	-	(100,000)	-	(362,407,412)	599,167,408
Liabilities Subject to Compromise						
Debt, pre-petition plus accrued interest	-	-	-	-	-	684,681,993
Accounts payable	-	-	-	-	-	31,512,308
Income taxes payable	-	-	-	-	-	134,477,237
Asbestos-related liability	-	-	-	-	-	1,700,000,000
Other liabilities	-	-	-	-	-	604,390,478
Total Liabilities Subject to Compromise	-	-	-	-	-	3,155,062,016
Total Liabilities	-	-	(100,000)	-	(362,407,412)	3,754,229,424
Shareholders' Equity (Deficit)						
Preferred Stock	-	-	-	-	-	112
Common Stock	-	-	(86,493,960)	-	-	785,713
Paid in capital	-	-	(1,222,570,000)	-	-	423,448,612
(Accumulated deficit)/Retained earnings	-	-	(17,040,039)	356,263,339	2,000,000	(505,834,362)
Treasury stock, at cost	-	-	(1,000,000)	(24,994,009)	5,800,000	(119,674,855)
Accumulated other comprehensive loss	-	-	-	-	-	(394,193,332)
Deferred compensation trust	-	-	-	-	-	100
Total Shareholders' Equity (Deficit)	-	-	(1,327,103,999)	331,269,330	7,800,000	(595,468,112)
Total Liabilities and Shareholders' Equity (Deficit)	\$ -	\$ -	\$ (1,327,203,999)	\$ 331,269,330	\$ (354,607,412)	\$ 3,158,761,311

Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W.R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.